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Arizona Corporation Commission  
**BEFORE THE ARIZONA CORPORATION COMMISSION**

JIM IRVIN  
Commissioner-Chairman  
RENZ D. JENNINGS  
Commissioner  
CARL J. KUNASEK  
Commissioner

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IN THE MATTER OF THE COMPETITION IN  
THE PROVISION OF ELECTRIC SERVICES  
THROUGHOUT THE STATE OF ARIZONA.

DOCKET NO. RE-00000C-94-165

**STAFF'S ADDITIONAL COMMENTS  
RE: DECISION NO. 61071**

**I. INTRODUCTION.**

On December 26, 1996, in Decision No. 59943, the Commission adopted rules for the transition to retail electric competition in Arizona. These rules are codified at A.A.C. R14-2-1601 et. seq. Under the rules, competition is phased in beginning January, 1999.

Certain modifications to the rules were adopted on an emergency basis by the Commission on August 10, 1998 in Decision No. 61071. The emergency rules amended certain rules to conform to recent legislative changes related to electric competition. New definitions were also added to the rules, as well as clarifications concerning certification of energy service providers. Also, the emergency rules modified the time table for implementation of retail competition for different customer classes and set forth additional requirements for the utility distribution companies providing standard offer services. Furthermore, the rule amendments incorporated certain provisions of Decision No. 60977, entered by the Commission on June 22, 1998 concerning stranded cost recovery. The rule modifications addressed reliability standards for electric service providers and added requirements concerning the labeling of information related to provision of generation. The rule additions also required competitive generation assets to be separated from the Affected Utility.

Subsequent to the adoption of the emergency rule amendments, the interested parties had an opportunity to file written comments concerning the proposed changes. In addition, the Commission began proceedings to adopt the emergency rule changes on a permanent basis. On October 2, 1998, the Staff of the Commission filed its reply to the written comments submitted by

1 the other parties related to the specific changes to the rules. In its October 2, 1998 filing, Staff made  
2 certain specific recommendations for rule changes.

3 As a result of comments raised at the public comment sessions held by the  
4 Commission related to the permanent rule adoption proceedings, and issues that arose during the  
5 course of the pending CC&N proceedings, Staff is filing these additional suggested amendments for  
6 Commission consideration. These amendments are being proposed for the purpose of clarifying  
7 certain potentially ambiguous provisions of the rules.

8 In addition to the changes Staff filed in its reply comments dated October 2, 1998,  
9 and these modifications submitted herein by Staff, changes have also been requested by the Secretary  
10 of State to bring the rules into format conformance with the Secretary of State's requirements. Set  
11 forth below are Staff's additional recommendations with specific language suggested for rule  
12 modification, as well as language to reflect the Secretary of State's request for format conformance  
13 with that office's standards.

14 **II. STAFF'S ADDITIONAL SUGGESTIONS FOR RULE AMENDMENTS FOR**  
15 **CLARIFICATION PURPOSES.**

16 R14-2-1603.B.7. **DELETE** and renumber to conform.

17 R14-2-1603.H.6. After "licenses" **DELETE** "," and **INSERT** ", including relevant  
18 tax licenses."

19 R14-2-1604.A. After the first sentence, **INSERT**:

20 "First-come, first-served, for the purpose of this rule, shall be determined for  
21 non-residential customers by the date and time of an ESP's filing of a Direct  
22 Access Service Request with the Affected Utility or Utility Distribution  
23 company. The effective date of the Direct Access Service Request must be  
24 within 180 days of the filing date of the Direct Access Service Request.  
25 Residential customer selection will be determined under approved residential  
26 phase-in programs as specified in R14-2-1604.B.4."

27 R14-2-1604.A.2. **REPLACE** first sentence with:

28 "During 1999 and 2000, an Affected Utility's customers with single premise  
non-coincident peak load demands of 40 kW or greater aggregated into a  
combined load of 1 MW or greater within that Affected Utility's service  
territory will be eligible for competitive electric services."

R14-2-1604.D. After "January 1, 2001", **INSERT** "at which time all customers shall  
be permitted to aggregate, including aggregation across service  
territories."

1 R14-2-1616.B. In the last sentence, **REPLACE** "may" with "shall". After "provide"  
2 **INSERT** "if requested by an ESP or customer". **DELETE** "." and  
3 **INSERT** "during the years 1999 and 2000, subject to the following  
4 limitations. The Affected Utilities and Utility Distribution  
5 Companies shall be allowed to continue to provide metering and  
6 meter reading services to competitive customers within their service  
7 territories at tariffed rates until such time as two or more competitive  
8 ESPs are offering such services to a particular customer class. When  
9 two competitive ESPs are providing such services to a particular  
10 customer class, the Affected Utilities and Utility Distribution  
11 Companies will no longer be allowed to offer the service(s) to new  
12 competitive customers in that customer class, but may continue to  
13 offer the service(s) through December 31, 2000, to the existing  
14 competitive customers signed up prior to the commencement of  
15 service by the two competitive ESPs.

16 R14-2-1618.B.2. Delete and renumber to conform.

17 R14-2-1618.D. After "marketing materials" **DELETE** to the end of the sentence and  
18 **INSERT** "specifically targeted to Arizona."; and after "non-print  
19 media" **INSERT** "or in written materials not specifically targeted in  
20 Arizona.:

### 21 **III. RULE MODIFICATIONS TO REFLECT SECRETARY OF STATE'S FORMAT 22 AND DRAFTING RULES.**

23 R14-2-203.B.1.a. **REPLACE** "two" with "2".

24 R14-2-203.B.6.a. **REPLACE** "two" with "2".

25 R14-203.B.6.b. **REPLACE** "two and one half" with "2 ½".

26 R14-2-204.A.1.c. **REPLACE** "factor(s)" with "factor".

27 R14-2-209.A.2. **REPLACE** "his or her" with "his".

28 R14-2-209.A.3. **REPLACE** "his or her" with "his"; **REPLACE** "six" with "6".

R14-2-209.A.8. **REPLACE** "Reader" with "Reading".

R14-2-209.B.2. **REPLACE** "one" with "1".

R14-2-209.C.1. **REPLACE** "ten" with "10".

R14-2-210.A.4. **REPLACE** "third" with "3<sup>rd</sup>".

R14-2-210.A.5.b. **REPLACE** "first" with "1<sup>st</sup>".

R14-2-210.B.1. **REPLACE** "two" with "2".

R14-2-210.C.1. **REPLACE** "timeframe" with "time-frame".

R14-2-210.D.4. **REPLACE** "one-month" with "1-month".

- 1 R14-2-210.E.3. REPLACE each "third" with "3<sup>rd</sup>".
- 2 R14-2-210.G.5. REPLACE "and/or" with "or".
- 3 R14-2-210.H.2.c. REPLACE "six" with "6".
- 4 R14-2-210.I.2. REPLACE "and/or" with "or".
- 5 R14-2-211.A.1.f.ii. REPLACE "third" with "3<sup>rd</sup>".
- 6 R14-2-211.B.3. REPLACE "one" with "1".
- 7 R14-2-211.C.1.a.  
8 through c: REPLACE each "." with ",".
- 9 R14-2-211.C.2. REPLACE "one" with "1".
- 10 R14-2-1603.A. INSERT "," after "January 1, 2001".
- 11 R14-2-1603.C. REPLACE "change(s)" with "change".
- 12 R14-2-1603.G.3. REPLACE "Agreement(s)" with "Agreement".  
13 R14-2-1603.G.6. Letter second paragraph beginning "A Request for approval" as  
subsection "H". Reletter remaining subsections to conform.
- 14 R14-2-1604.B.1. INSERT "," after "January 1, 1999".
- 15 R14-2-1604.B.4. INSERT "," after "September 29, 1998".
- 16 R14-2-1604.B.5. REPLACE "first" with "1<sup>st</sup>".
- 17 R14-2-1606.A. INSERT "," after "January 1, 2001".
- 18 R14-2-1609.D.3. REPLACE "one" with "1".
- 19 R14-2-1610.C. INSERT "," after "October 31, 1998".
- 20 R14-2-1610.G.2. REPLACE "i.e." with "that is".
- 21 R14-2-1613.J. REPLACE "to" with "to".
- 22 R14-2-1613.K.1.c. REPLACE "his or her" with "the Director's".
- 23 R14-2-1613.N. INSERT sentence beginning "All customers bills" after "Unbundled  
Billing Elements." INSERT "," after "January 1, 1999".
- 24 R14-2-1613.N.1. After "Costs" INSERT ":".
- 25 R14-2-1613.N.1.a. After "Generation" INSERT ",".
- 26 R14-2-1613.N.1.b. After "Charge" INSERT ", and".
- 27 R14-2-1613.N.2. REPLACE "costs" with "Costs:".
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- R14-2-1613.N.2.a. After "services" INSERT ",".
- R14-2-1613.n.2.B. After "services" INSERT ", and".
- R14-2-1613.N.3. After "Costs" INSERT ":",
- R14-2-1613.N.3.a. After "Service" INSERT ",".
- R14-2-1613.N.3.b. After "Service" INSERT ",".
- R14-2-1613.N.3.c. After "collection" INSERT ", and".
- R14-2-1618.F.8. REPLACE "third" with "3<sup>rd</sup>".

RESPECTFULLY SUBMITTED this 24<sup>th</sup> day of November, 1998.

By: Paul A. Bullis  
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Original and ten copies of the foregoing filed this 24<sup>th</sup> day of November, 1998 with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

A copy of the foregoing was mailed this 24<sup>th</sup> day of November, 1998 to:

All parties on the service list for  
Docket No. RE-00000C-94-165

By Mary Spohn